

ATTACHMENT B

**In the Matter of the Verified Petition of Rockland Electric Company
for Approval of an Energy Efficiency Stimulus
Program and Associated Rate Recovery**

BPU Docket No. ER17080869

Division of Rate Counsel Discovery Requests

RCR-EE-1. Please provide the Company's estimates of:

- a. How many customers in Rockland Electric's service territory are eligible for the Low-Income Audit and Direct Install Energy Efficiency Program?

Response: All Universal Service Fund customers, approximately 700 are eligible for the Program. However, as stated in the Petition, a majority of those customers have already participated in the Program. To further broaden participation beyond USF customers, the Company will strengthen outreach using Community Based Organizations, collaborate with Weatherization Assistance Program agencies, and coordinate communications with the New Jersey Office of Information Technology.

- b. How many (or what percent) of these customers own their own home vs. rent from a third party?

Response: RECO does not have this information about eligible customers, but has this information about participants. See 2(b) below.

- c. How many (or what percent) of these customers live in multi-family dwellings?

Response: RECO does not have this information about eligible customers, but has this information about participants. See 2(c) below.

RCR-EE-2. For each year since 2009:

- a. How many customers have been served by Rockland Electric's energy efficiency programs?

Response: See below

2010: 63
2011: 120
2012: 105
2013: 111
2015: 17
2016: 103

- b. How many (or what percent) of these customers own their own home vs. rent from a third party?

Response: Eighty-four (84) percent of these customers own their home and sixteen (16) percent of these customers rent.

- c. How many (or what percent) of these customers live in multi-family dwellings?

Response: Fourteen percent of these customers live in multi-family dwellings.

- d. How many customers have been referred to PSE&G and/or the CEP for additional gas-saving measures? Does RECO perform any follow-up to determine how many of these customers ultimately have gas-saving measures installed?

RCR-EE-3.

RCR-EE-4.

RCR-EE-5.

RCR-EE-7. Please provide a detailed marketing budget for Rockland Electric's EE programs.

Response: RECO only implements the Low-Income Audit and Direct Install Program. The marketing budget of \$10,000 annually consists of the creation of program literature and brochures, sponsorships in outreach events, direct mailings to customers to make them aware of their eligibility of the program, outreach to agencies, and mailing and production costs associated with the distribution of the quarterly newsletter. See also Exhibit B and Schedule JD-1 (pages 1 through 4) of the Petition.

RCR-EE-8.

RCR-EE-9.

RCR-EE-10.

RCR-EE-11. Please provide an electronic copy of the Cost-Benefit Analysis provided as Exhibit H to the Company's Petition, along with underlying workpapers and analysis in their native, machine readable format with formulae intact.

Response: The Company provided an electronic copy to all parties. The Company does not have workpapers or such analysis because the Cost-Benefit Analysis was performed by Rutgers' Center for Energy, Environment and Economic Policy (CEEEP) and not the Company.

RCR-EE-12.

STATE OF NEWJERSEY
BOARD OF PUBLIC UTILITIES

In the Matter of the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery

BPU Docket No.: ER17080869

S-RECO-EE-14

In reference to Page 12 (Paragraph 29) of the Petition, RECO indicates that the Low Income Audit III Program expenditures will be recovered over a ten (10) year period beginning in the billing period commencing after the expenditure is made. In this regard, please provide the following:

- a) As shown on Exhibit C, Schedule JD-1, the projected annual revenue requirements and the total program revenue requirement amount using a seven (7) year amortization.

Response: Please see Exhibit A.

- b) Please provide the information requested in (a) above in excel format with all formulas intact.

Response: Please see Exhibit B.

- c) As shown on Exhibit C, Schedule JD-1, the projected annual revenue requirements and the total program revenue requirement amount using a five (5) year amortization.

Response: Please see Exhibit C.

- d) Please provide the information requested in (c) above in excel format with all formulas intact.

Response: Please see Exhibit D.

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

In the Matter of the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery

BPU Docket No.: ER17080869

Board Staff's Discovery Requests S-RECO-EE-1 to S-RECO-EE-13 Directed to Petitioner

S-RECO-EE-1

Response:

S-RECO-EE-2

Response:

S-RECO-EE-3

Response:

S-RECO-EE-4 Please provide a breakdown of the O&M expenditures for the previously approved programs (budgeted and actual).

Response: The table below provides the breakdown of O&M budgets and expenditures.

Category	Budget	Actual
Administration	\$112,780	\$106,907
Rebates	\$506,250	\$186,478
Evaluation	\$30,600	\$0
Total	\$649,630	\$293,385

S-RECO-EE-5

Response:

S-RECO-EE-6

Response:

S-RECO-EE 7

Response:

S-RECO-EE-8

STATE OF NEWJERSEY
BOARD OF PUBLIC UTILITIES

In the Matter of the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery

BPU Docket No.: ER17080869

S-RECO-EE-14

In reference to Page 12 (Paragraph 29) of the Petition, RECO indicates that the Low Income Audit III Program expenditures will be recovered over a ten (10) year period beginning in the billing period commencing after the expenditure is made. In this regard, please provide the following:

- a) As shown on Exhibit C, Schedule JD-1, the projected annual revenue requirements and the total program revenue requirement amount using a seven (7) year amortization.

Response: Please see Exhibit A.

- b) Please provide the information requested in (a) above in excel format with all formulas intact.

Response: Please see Exhibit B.

- c) As shown on Exhibit C, Schedule JD-1, the projected annual revenue requirements and the total program revenue requirement amount using a five (5) year amortization.

Response: Please see Exhibit C.

- d) Please provide the information requested in (c) above in excel format with all formulas intact.

Response: Please see Exhibit D.

ROCKLAND ELECTRIC COMPANY
LOW INCOME AUDIT III PROGRAM
FINANCIAL SUMMARY

Amortization Period	7 years
Equity Component	48.70%
Equity Return	9.60%
Before -Tax WACC	10.77%
Effective Tax Rate	40.85%
Interest Expense	2.70%

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Cumulative
Expenditures													
Energy Efficiency Programs	\$ 180,300	\$ 184,100											\$ 364,400
Cumulative Expenditures	\$ 180,300	\$ 364,400											
Amortization - 2017 Expenditures	25,757	25,757	25,757	25,757	25,757	25,757	25,757	25,757	25,757	25,757	25,757	25,757	
Amortization - 2018 Expenditures		26,300	26,300	26,300	26,300	26,300	26,300	26,300	26,300	26,300	26,300	26,300	
Cumulative Amortization	\$ 25,757	\$ 77,814	\$ 129,871	\$ 181,929	\$ 233,986	\$ 286,043	\$ 338,100	\$ 364,400	\$ 364,400	\$ 364,400	\$ 364,400	\$ 364,400	
Gross Expenditures	\$ 180,300	\$ 364,400	\$ 364,400	\$ 364,400	\$ 364,400	\$ 364,400	\$ 364,400	\$ 364,400	\$ 364,400	\$ 364,400	\$ 364,400	\$ 364,400	
Accumulated Amortization	25,757	77,814	129,871	181,929	233,986	286,043	338,100	364,400	364,400	364,400	364,400	364,400	
Net Expenditures	\$ 154,543	\$ 286,586	\$ 234,529	\$ 182,471	\$ 130,414	\$ 78,357	\$ 26,300	\$ -	\$ -	\$ -	\$ -	\$ -	
Accumulated Deferred Tax Under/(Over) Recovery Balance	63,131	117,070	95,805	74,540	53,274	32,009	10,744	-	-	-	-	-	
	\$ 91,412	\$ 169,515	\$ 138,724	\$ 107,932	\$ 77,140	\$ 46,348	\$ 15,556	\$ -	\$ -	\$ -	\$ -	\$ -	
Return Requirement	\$ 9,843	\$ 18,252	\$ 14,937	\$ 11,621	\$ 8,306	\$ 4,990	\$ 1,675	\$ -	\$ -	\$ -	\$ -	\$ -	
Pre-Tax Equity Portion	\$ 7,374	\$ 13,674	\$ 11,180	\$ 8,706	\$ 6,222	\$ 3,738	\$ 1,255	\$ -	\$ -	\$ -	\$ -	\$ -	
Revenue Requirement	\$ 81,100	\$ 115,810	\$ 66,994	\$ 63,679	\$ 60,363	\$ 57,048	\$ 53,732	\$ 26,300	\$ -	\$ -	\$ -	\$ -	
Expenses:													
Amortization	\$ 25,757	\$ 52,057	\$ 52,057	\$ 52,057	\$ 52,057	\$ 52,057	\$ 52,057	\$ 26,300	\$ -	\$ -	\$ -	\$ -	
Administrative	20,300	20,300	-	-	-	-	-	-	-	-	-	-	
Marketing & Sales	10,000	10,000	-	-	-	-	-	-	-	-	-	-	
Evaluation	11,400	11,400	-	-	-	-	-	-	-	-	-	-	
Inspections	3,800	3,800	-	-	-	-	-	-	-	-	-	-	
Interest Expense	2,469	4,579	3,747	2,915	2,084	1,252	420	-	-	-	-	-	
Taxable Income	7,374	13,674	11,180	8,706	6,222	3,738	1,255	0	0	0	0	0	
Federal and State Taxes	3,012	5,586	4,571	3,558	2,542	1,527	513	-	-	-	-	-	
Net Income	\$ 4,361	\$ 8,088	\$ 6,619	\$ 5,150	\$ 3,681	\$ 2,211	\$ 742	\$ -	\$ -	\$ -	\$ -	\$ -	

STATE OF NEWJERSEY
BOARD OF PUBLIC UTILITIES

In the Matter of the Verified Petition of Rockland Electric Company for Approval of an Energy Efficiency Stimulus Program and Associated Rate Recovery

BPU Docket No.: ER17080869

S-RECO-EE-15

Please refer to Exhibit C at page 3, line 5 to page 4, line 2 and JD-1 at page 1. The witness identifies the "internal administrative expense" as \$40,600 over the two years of the proposed program. Over the same two-year period, the witness also identifies marketing and sales expenses of \$20,000; evaluation expenses of \$22,800; and inspection expenses of \$7,600. Please confirm that the total administrative expenses for the proposed Low Income Audit III Program are \$91,000.

Response: The total administrative expenses for the two year program are \$132,000 including evaluation. Exhibit C, Schedule JD-1, page 4 of 6 provides the detailed cost categories above.

S-RECO-EE-16

STATE OF NEWJERSEY
BOARD OF PUBLIC UTILITIES

In the Matter of the Verified Petition of Rockland Electric Company for Approval of an Energy
Efficiency Stimulus Program and Associated Rate Recovery

BPU Docket No.: ER17080869

Board Staff's Discovery Requests S-RECO-EE-17 to S-RECO-EE-23 Directed to Petitioner

S-RECO-EE-17

S-RECO-EE-18

S-RECO-EE-19

S-RECO-EE-20

The response to S-RECO-EE-4 shows that actual expenses fell far below the budgeted amounts in every category but administrative. Please account for this discrepancy.

Response: Administration expenses are associated to the monthly administration of the program and do not vary based on the level of participation. Therefore, the administration expenses were in line with the budget.

S-RECO-EE-21

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

In the Matter of the Verified Petition of Rockland Electric Company for Approval of an Energy
Efficiency Stimulus Program and Associated Rate Recovery

BPU Docket No.: ER17080869

INF-4

Please provide the survey form that is used to measure customer satisfaction.

Response: Please see the attachment "INF-4 Attachment 1."



Rockland Electric Company

Thank you for your participation in Rockland Electric's Audit and Direct Installation Program! We would like to know how we did.....

As a contractor for the Audit and Direct Installation Program your input is vital in our efforts to improve the quality of service we provide. We would greatly appreciate your comments. Please take a moment to complete this brief survey and return it using the postage paid envelope. *Thank you for your comments!*

Why did you participate in the Program? (please check all that apply)

- To lower my utility bill
- To Save Energy
- Because it was free
- Because it's sponsored by my Utility
- To improve home comfort
- To improve our health and safety
- To save money

Please rate your satisfaction with the following:

	Strongly Agree					Strongly Disagree				
	5	4	3	2	1	5	4	3	2	1
1. I had a clear understanding of the program when the Energy Technicians arrived for my initial visit.	5	4	3	2	1					
2. I was aware of the length of time that each of my visits would require to complete.	5	4	3	2	1					
3. I received sufficient confirmation for my appointments to ensure my availability.	5	4	3	2	1					
4. The Energy Technicians arrived at the scheduled time.	5	4	3	2	1					
5. The Energy Technicians gave me a good understanding of the program and of what would be expected of me through the discussions during his/her visit.	5	4	3	2	1					
6. The Energy Technicians understood my circumstances, valued my input and respected me and my home.	5	4	3	2	1					
7. The Energy Technicians performed their job s in a courteous and professional manner.	5	4	3	2	1					
8. I feel that I have received energy improvements to my home that increased my comfort.	5	4	3	2	1					
9. The Energy Technicians clearly explained how I can operate and get the most benefit from the Energy improvements provided.	5	4	3	2	1					
10. This service has met my expectations so far.	5	4	3	2	1					
11. I would be likely to recommend this service to others.	5	4	3	2	1					

Please add any comments or suggestions relative to your experience with Rockland Electric's Audit and Direct Installation Program visits...

OPTIONAL:

Name and Address: _____

Telephone: () _____